

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 56 – HB 80

February 14, 2015

SUMMARY OF BILL: Authorizes students who are members of the national guard or a reserve unit of a branch of the United States military and who are eligible for the Tennessee Promise scholarship, but cannot enroll in an eligible postsecondary program in the fall term immediately following completion of high school due to certain military commitments, to enroll in the first term beginning after completion of such commitments without losing eligibility for the scholarship.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$19,500/FY17-18/Lottery for Education Account
Exceeds \$19,500/FY18-19 and Subsequent Years/
Lottery for Education Account**

Assumptions:

- The Tennessee Student Assistance Corporation estimates that 30 students will participate annually in military service following completion of high school where the duration of service will require enrollment beyond the currently authorized 6-month leave of absence provision codified in Tenn. Code Ann. § 49-4-708(c)(7).
- It is estimated that such students would, as a result of the proposed legislation, regain scholarship eligibility for one semester, which would be awarded on the end of their academic program. Therefore, the first year impacted by this bill is estimated to be FY17-18.
- Tennessee Promise is a last-dollar scholarship, meaning the scholarship will cover tuition and fees not covered by other gift aid. The average scholarship per student per semester is estimated to be \$650 in FY17-18. Due to expected tuition increases, the average scholarship per student per semester is estimated to exceed \$650 in FY18-19 and subsequent years.
- The increase in state expenditures from the Lottery for Education Account (LFEA) is estimated to be \$19,500 (30 x \$650) in FY17-18; and the recurring increase in state expenditures from the LFEA in FY18-19 and subsequent years is estimated to exceed \$19,500.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive style with a large, stylized "J" and "S".

Jeffrey L. Spalding, Executive Director

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